

## School Funding

*By Jim Bowman*

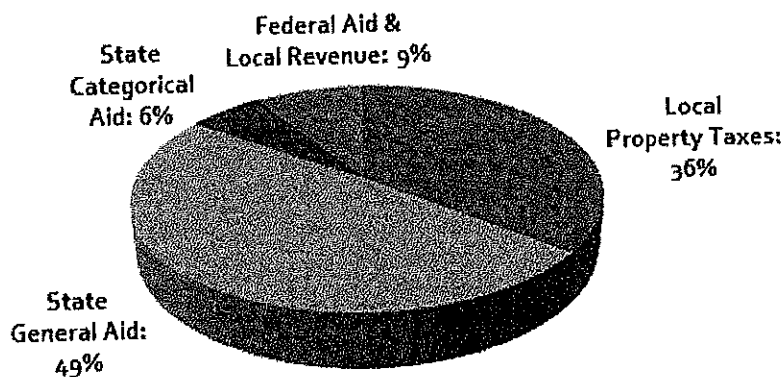
Funding for the education of K-12 students in the Fox Cities has not kept pace with inflation. The shortfall for the 2016-17 year is \$255 per student.

### School Revenue

Wisconsin's Constitution (Article X, Section 3), calls for public school districts which are "as nearly uniform as practicable" and "free and without charge for tuition to all children."

Public school revenue has four significant components.

**School Revenue in the Fox Cities**



School districts include Appleton, Kaukauna, Kimberly, Little Chute, Menasha and Neenah.

**State general aid** pays for school operations in general. **Categorical aid** funds specific needs like student transportation.

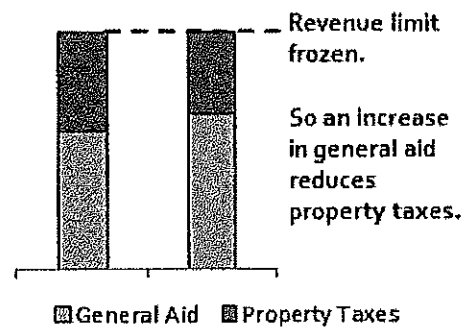
**Federal aid** also helps with specific programs like special education. **Local revenue** includes student fees. **Local property taxes** are levied on the value of property in the school district.

The two largest components, state general aid and local property taxes, are constrained by a revenue limit.

Revenue limit = state general aid + local property taxes

Currently the two components of the revenue limit, state general aid and local property taxes, contribute 85% of the funding for Fox Cities schools.

The 2017-19 state budget freezes the revenue limit at the 2017 level. During this budget period, any increase in general aid automatically reduces local property taxes by the same amount.



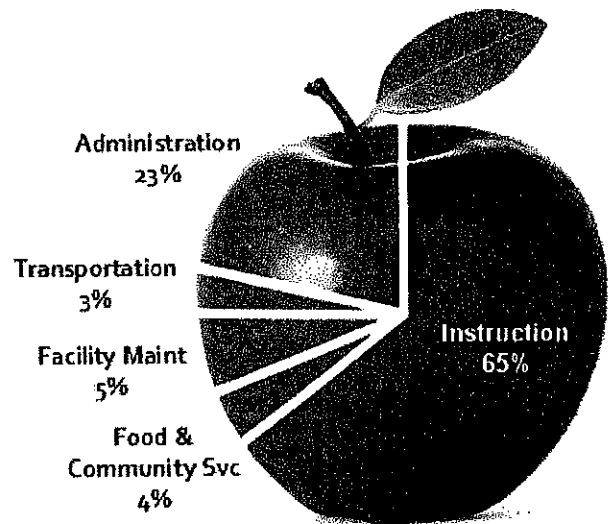
## School Expenses

Expenses for the Fox Cities school districts can be grouped in five categories.

**Instruction** includes salaries and benefits for teachers and para-professionals who assist in the learning process. The category also includes textbooks, equipment (e.g. microscopes for science labs, tools for technology courses), libraries, and other learning materials.

**Administration** includes salaries and benefits for school principals and district leadership. The category also includes professionals who oversee special education, curriculum development, career preparation programs, and improvement initiatives.

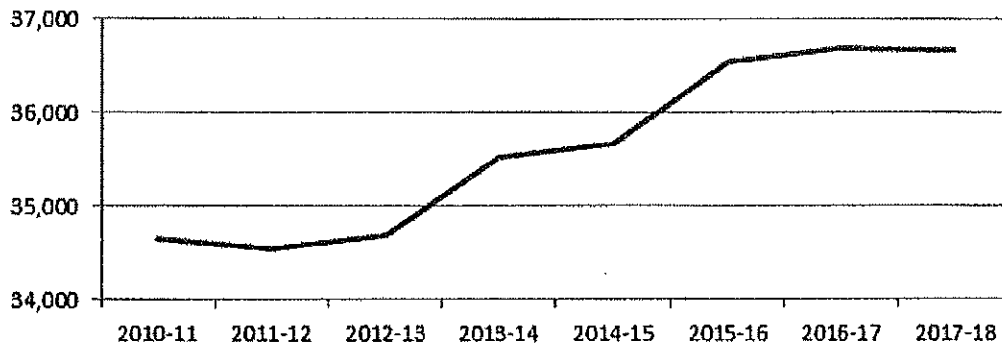
**Transportation** includes the cost of busing students to and from school and co-curricular events. **Facility Maintenance** includes the operation and repair of buildings, athletic fields, playgrounds and parking lots. **Food & Community Service** includes the cost of student meals not covered by fees and the unreimbursed costs of providing school facilities (e.g. gymnasiums, auditoriums) to community groups.



## A Disturbing Trend in Funding

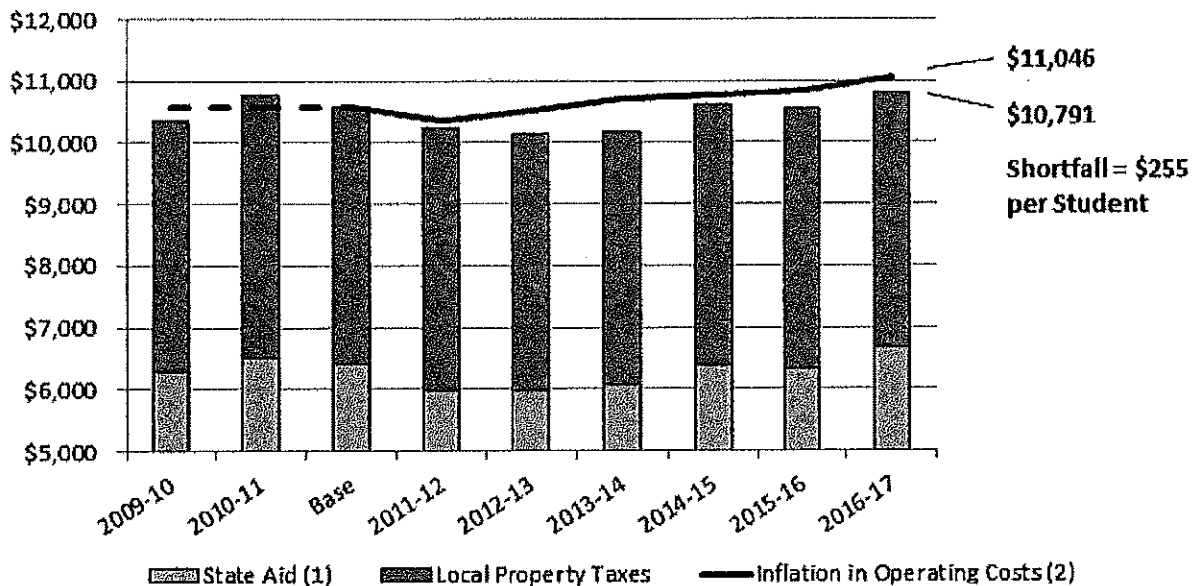
Enrollment is growing. The six school districts now educate 36,680 students.

### Public School Enrollment in the Fox Cities



Funding for the education of these students, however, has not kept pace with inflation in operating costs. The shortfall for the 2016-17 year is \$255 per student.

### Public School Funding per Student in the Fox Cities from State Aid & Local Property Taxes



(1) Includes both general and categorical aid.

(2) Inflation in operating costs since the base "year". The base is the average of operating costs for 2009-10 and 2010-11. The reduction in cost of staff benefits in 2011-12 due to Act 10 is included.

A shortfall in funding may be resolved by a school board by deferring maintenance, cutting programs, increasing class size, and/or proposing a referendum. An operating referendum enables a school board to seek funding that exceeds the revenue limit set by the state.

The shortfall in funding displayed for Fox Cities schools also exists for many of Wisconsin's 422 school districts. Since January 2011, they have proposed 335

referendums to seek funding beyond their revenue limit. Of these, 241 have been approved by voters.

### **You Can Support Fox Cities Schools**

1. Urge your legislators to fully fund public education in the next biennial budget.

In particular, ask them to index the revenue limit to the cost of living. This step would enable schools in the Fox Cities to keep pace with inflationary growth in operating costs.

2. Call for a pause in the state-wide expansion of school vouchers. Vouchers have failed to improve student outcomes and, in the Fox Cities, they have cost taxpayers \$6 million. Support school choice without a taxpayer subsidy.
3. Support an increase in special education aid. The state reimburses school districts for part of their costs of special education. The level of reimbursement has been frozen since 2008 while costs have increased. The level of reimbursement should be increased from 26% (current) to 30%.

### **References**

All charts in this article are based on data from the Wisconsin Department of Public Instruction.

Pie chart: School Revenue in the Fox Cities

Pie chart (apple): School Expense

Line chart: Public School Enrollment in the Fox Cities

Bar chart: Public School Funding per Student in the Fox Cities

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